

VETERANS AFFAIRS

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	2015-17 Legislature	2015-17 Act 55	Act 55 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$4,140,600	\$3,699,900	\$3,699,900	\$3,699,900	\$3,699,900	- \$440,700	- 10.6%
FED	5,896,800	6,237,200	5,855,800	5,855,800	5,855,800	- 41,000	- 0.7
PR	215,750,600	221,793,400	220,055,000	220,055,000	220,055,000	4,304,400	2.0
SEG	<u>49,738,800</u>	<u>54,433,800</u>	<u>53,879,600</u>	<u>53,879,600</u>	<u>53,879,600</u>	<u>4,140,800</u>	8.3
TOTAL	\$275,526,800	\$286,164,300	\$283,490,300	\$283,490,300	\$283,490,300	\$7,963,500	2.9%

FTE Position Summary						
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	2016-17 Legislature	2016-17 Act 55	Act 55 Change Over 2014-15 Base
FED	18.00	16.00	16.00	16.00	16.00	- 2.00
PR	1,157.70	1,156.20	1,156.20	1,156.20	1,156.20	- 1.50
SEG	<u>117.00</u>	<u>114.00</u>	<u>114.00</u>	<u>114.00</u>	<u>114.00</u>	<u>- 3.00</u>
TOTAL	1,292.70	1,286.20	1,286.20	1,286.20	1,286.20	- 6.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 700]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$3,322,400	- \$1,000,400	\$2,322,000
SEG	1,605,200	- 169,000	1,436,200
FED	<u>227,200</u>	<u>0</u>	<u>227,200</u>
Total	\$5,154,800	- \$1,169,400	\$3,985,400

Governor: Provide \$1,661,200 PR, \$802,600 SEG, and \$113,600 FED annually to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (-\$1,622,500 PR, \$802,600 SEG, and \$113,600 FED annually); (b) overtime (\$1,092,500 PR annually); and (c) night and weekend differential pay (\$2,191,200 PR annually).

Joint Finance/Legislature: Reduce funding by \$500,200 PR and \$84,500 SEG annually to reflect turnover reduction for DVA appropriations with more than 50 positions. The PR adjustment is a 1% reduction on the base salary funding for the state veterans homes institutional operations appropriation, while the SEG adjustment is a 3% reduction on the base salary funding for the Department's administration of loans and grants appropriation.

2. VETERANS TRUST FUND CONDITION STATEMENT [LFB Paper 701]

The following table shows the fund condition statement for the veterans trust fund, reflecting appropriations under Act 55, as well as estimates of fund revenues and appropriation lapses during the 2015-17 biennium. In addition, the table also reflects an assumption that the Department would be required to transfer amounts (\$7,600,000 in 2015-16 and \$13,500,000 in 2016-17) from unencumbered balances from the PR appropriation for state veterans homes institutional operations in order to maintain a positive balance in the fund. (The Department is authorized to make such transfers under current law.) The Department may be required to transfer more or less than this amount, depending upon actual revenues and appropriation lapses.

	<u>2015-16</u>	<u>2016-17</u>
Opening Balance, July 1	\$4,914,600	\$30,000
Revenues	<u>2,990,000</u>	<u>2,766,100</u>
Total Available	\$7,904,600	\$2,796,100
Appropriations	\$17,997,700	\$19,514,700
Estimated Lapses	<u>-2,523,100</u>	<u>-3,273,100</u>
Net Expenditures	\$15,474,600	\$16,241,600
Balance Before Transfer	-\$7,570,000	-\$13,445,500
Estimated Transfer Supplement	<u>7,600,000</u>	<u>13,500,000</u>
Ending Balance, June 30	\$30,000	\$54,500

3. VETERANS HOME OPERATIONS

PR	\$3,000,000
----	-------------

Governor/Legislature: Provide \$2,000,000 in 2015-16 and \$1,000,000 in 2016-17 for DVA to purchase additional equipment and contractual services at the state veterans homes. Of these amounts, DVA indicates that \$804,000 annually would be allocated for therapy services and equipment for members whose care is funded from Medicare. Other identified needs include pill dispensing equipment, maintenance of Wander Guard equipment (used to monitor movement of residents with dementia), sit-to-stand chairs, and bariatric equipment.

4. DEBT SERVICE REESTIMATE [LFB Paper 175]

Governor/Legislature: Provide \$662,300 (-\$68,200 GPR, -\$54,000 PR, and \$784,500 SEG) in 2015-16 and of \$1,052,900 (-\$372,500 GPR, \$138,200 PR, and \$1,287,200 SEG) in 2016-17 to reflect reestimates of debt service payments for DVA facilities. Debt service paid with GPR and PR appropriations is

GPR	- \$440,700
SEG	2,071,700
PR	<u>84,200</u>
Total	\$1,715,200

primarily related to bonds issued for capital projects at the state veterans homes, while debt service paid with SEG funds is primarily related to bonds issued for veteran mortgage loans. Debt service on mortgage loan bonds is paid from the veterans mortgage loan repayment fund.

5. VETERANS EMPLOYMENT GRANT PROGRAM [LFB

SEG	\$1,000,000
-----	-------------

 Paper 701]

Governor/Legislature: Provide \$500,000 annually to reflect the transfer of the veterans employment grant program from the Department of Workforce Development (DWD) to the Department of Veterans Affairs. The program is currently funded from a veterans trust fund appropriation in DWD. For a complete summary of this transfer, see "Workforce Development."

[Act 55 Sections: 734 and 3097 thru 3103]

6. VETERANS HOUSING AND RECOVERY PROGRAM

SEG	\$768,100
-----	-----------

Governor/Legislature: Provide \$250,100 in 2015-16 and \$518,000 in 2016-17 for increased costs for utilities and rent under the veterans housing and recovery program, which is also known as the veterans assistance program. The program provides transitional housing and support services to homeless veterans and veterans who are at risk of becoming homeless. DVA provides these services on the campuses of the three state veterans homes. A portion of the funding would be provided for the rental of new space at the King Home location, since the current facility is scheduled to be demolished in 2015 to make room for a new nursing home facility. Remaining funding would be used to fund increases in utility costs at the other two locations.

The bill would provide a total of \$1,272,200 (\$628,100 SEG, \$528,600 FED, and \$115,500 PR) in 2015-16 and \$1,540,100 (\$896,000 SEG, \$528,600 FED, and \$115,500 PR) in 2016-17 to support the program.

7. VETERANS EDUCATION GRANT FUNDING [LFB Paper 701]

SEG	- \$750,000
-----	-------------

Governor/Legislature: Reduce funding by \$750,000 in 2015-16 for the veterans tuition reimbursement program, to reflect a reduction in the demand for reimbursement under the program. The program reimburses up to 100% of the cost of undergraduate tuition and fees or high school tuition or program costs, minus any other grants or scholarships received by veterans, with a maximum reimbursement based on the cost of a UW-Madison resident undergraduate tuition. The program provides reimbursement for students who are not otherwise eligible for UW System and Wisconsin Technical College System tuition remission programs. With this reduction, total funding for the program would be \$653,100 in 2015-16 and \$1,403,100 (base level funding) in 2016-17. The program is funded with a biennial appropriation, meaning that funds appropriated in the second year of the biennium could be used for costs incurred in the first year. Since funding would not be reduced in 2016-17, the program would not be subject to

an ongoing funding reduction. In 2013-14, the program provided reimbursement grants totaling \$456,000 to 114 veterans.

8. POSITION AND FUNDING REALLOCATION

PR	- \$250,600
----	-------------

Governor/Legislature: Reduce funding by \$125,300 annually to reflect the net effect of reallocating funding and positions related to administration of the state veterans homes. This item includes: (a) reducing funding and positions budgeted to support the skilled nursing facility at Union Grove (-\$460,800 and -4.75 positions) and the assisted living facilities at Union Grove (-\$74,800 and -0.85 positions) and increasing funding and positions to support the Veterans Home at King (\$410,300 and 5.60 positions). The Department of Administration indicates that these funding and position shifts are intended to more closely align resources with central office workload.

9. ELIMINATE LONG-TERM VACANCIES [LFB Paper 702]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$0	- 3.00	-\$385,200	0.00	-\$385,200	- 3.00
FED	0	- 2.00	- 238,800	0.00	- 238,800	- 2.00
PR	<u>0</u>	<u>- 0.50</u>	<u>- 78,000</u>	<u>0.00</u>	<u>- 78,000</u>	<u>- 0.50</u>
Total	\$0	- 5.50	-\$702,000	0.00	-\$702,000	- 5.50

Governor: Delete 5.5 positions (-3.0 SEG positions, -2.0 FED positions, and -0.5 PR position) as part of the Governor's budget initiative to eliminate positions that have been vacant for more than 12 months. Of these positions, 3.0 positions (1.0 SEG position and 2.0 FED positions) are budgeted for the veterans assistance program, 2.0 SEG positions are budgeted to administer DVA's grant and loan programs, and 0.5 PR position is budgeted for the state veterans homes.

Joint Finance/Legislature: Reduce funding by \$192,600 SEG, \$39,000 PR, and \$119,400 FED annually to reflect the deletion of salary and fringe benefit funding associated with the eliminated positions.

10. VETERANS CEMETERY OPERATIONS

Governor/Legislature: Reduce funding by \$56,600 PR annually and delete 1.0 PR position, beginning in 2015-16, and increase FED funding and positions by corresponding amounts to reflect the net effect of transferring costs of operating the Central Wisconsin Veterans Memorial Cemetery at the State Veterans Home at King to the Department's memorial cemetery appropriations. The administration indicates that the intent of this provision is to consolidate cemetery operations within the DVA cemetery appropriations.

	Funding	Positions
PR	-\$113,200	- 1.00
FED	<u>113,200</u>	<u>1.00</u>
Total	\$0	0.00

The veterans homes are funded from moneys related to the care of residents, including recoveries from decedents' estates for the cost of burials. The veterans memorial cemeteries appropriations receive moneys from burial fees (although the Department does not generally charge fees for burial of veterans) and federal veterans interment allowances to fund cemetery operations and burials. The administration anticipates that DVA will receive additional federally-funded cemetery aid payments in the 2015-17 biennium to support the additional FED position.

The following table shows the funding and positions changes under this item, by appropriation.

	<u>Fund Source</u>	<u>Annual Change Funding</u>	<u>Positions</u>
State Veterans Homes Appropriations			
Institutional operations	PR	-\$56,600	-1.0
Veterans home cemetery operations	PR	-43,800	0.0
Federal projects	FED	<u>-108,300</u>	<u>-2.0</u>
All Funds Subtotal		-\$208,700	-3.0
Veterans Memorial Cemeteries Appropriations			
Cemetery operations	PR	\$43,800	0.0
Federal aid; cemetery operations and burials	FED	<u>164,900</u>	<u>3.0</u>
All Funds Subtotal		\$208,700	3.0
PR Total		-\$56,600	-1.0
FED Total		<u>56,600</u>	<u>1.0</u>
All Funds Total		\$0	0.0

11. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	<u>Governor (Chg. to Base)</u>		<u>Jt. Finance/Leg. (Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
FED	\$0	- 1.00	-\$142,600	0.00	-\$142,600	- 1.00

Governor: Delete 1.0 veterans program specialist position, beginning in 2015-16. The deletion of this position, which has been vacant since May of 2012, is included in an item that would create an Office of Marketing in the Department of Tourism, with the intention of consolidating various functions related to marketing of the state or state agency services. Funding associated with this position (\$71,300 annually) would be transferred from permanent position salaries and fringe benefits to supplies and services, to allow DVA to purchase marketing services through Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance/Legislature: Modify the Governor's recommendation by deleting \$71,300 annually, the funding associated with the 1.0 position, rather than reallocating funding to

supplies and services.

12. TRANSFER VETERANS EMPLOYMENT PROGRAM FROM DWD [LFB Paper 732]

Governor: Modify a provision of 2013 Act 20 that would have transferred two federally-funded veterans employment programs (disabled veterans' outreach program and local veterans' employment representative program) from DWD to DVA, contingent on the approval of the U.S. Department of Labor, to make this transfer, instead, contingent on the approval of the Governor and to require the Governor to declare DVA to be the coordinator of employment service delivery system, as specified under federal law. For a complete summary of this modification, see "Workforce Development."

The U.S. Department of Labor did not approve the transfer of these programs as proposed by Act 20. Although Act 20 transferred federal funding and associated positions from DWD to DVA (\$3,106,000 FED and 37.0 FED positions annually), the funding and positions were removed from the base budget for DVA in the preparation of the 2015-17 biennial budget to reflect the denial of the transfer. This item would not restore the positions and funding in DVA. The Department of Administration indicates that the intention is to maintain the positions and funding associated with these programs in DWD at this time.

Joint Finance/Legislature: Delete provision.

13. TRANSFER MORTGAGE LOAN ADMINISTRATION FUNCTIONS TO DVA'S GENERAL LOAN AND GRANT ADMINISTRATION APPROPRIATION [LFB Paper 701]

Governor/Legislature: Reduce funding by \$3,180,500 SEG and eliminate 33.05 SEG positions annually in the general program operations appropriation for the veterans mortgage loan program, and provide corresponding SEG funding and position increases in the Department's appropriation for administration of loans and aids to veterans to reflect a transfer of the responsibility for some of the administrative costs of the veterans mortgage loan programs. The administrative costs associated with the mortgage loan programs are currently supported by the veterans mortgage loan repayment fund, while the administration of loans and aids to veterans appropriation is supported from the veterans trust fund. Consequently, the net fiscal effect of this item is an increase in appropriations and positions in the veterans trust fund and a decrease in appropriations and positions in the veterans mortgage loan repayment fund. No fiscal effect is shown above since these are both segregated funds, and the changes are offsetting.

The veterans mortgage loan repayment fund receives loan repayments on loans made under the primary mortgage loan program and the home improvement loan program. The fund is used for debt service on bonds issued to make loans, as well as administrative costs associated with the loan programs. The administration indicates that the purpose of the transfer of mortgage loan administration responsibilities is to preserve the solvency of the veterans mortgage loan repayment fund. The Department placed a moratorium on the issuance of new loans on

December 1, 2011, citing its inability to compete with low conventional market interest rates and a decreased demand for loans. The administrative costs that are the subject of this item are related to loans issued prior to that date. In 2013-14, fund expenditures exceeded fund revenue by \$5.0 million.

14. GRANT TO VETRANSFER, INC. [LFB Paper 703]

Governor: Delete a provision created in 2013 Wisconsin Act 20 (the 2013-15 biennial budget act) that requires the Department to make a one-time \$500,000 grant in 2013-14 to VETransfer, Inc., and delete related provisions that require VETransfer to provide information to DVA on the use of grant funds. VETransfer Inc. is an organization, based in Milwaukee, that provides training and other assistance to veterans engaged in entrepreneurship. The grant was made from an appropriation from the veterans trust fund.

A separate provision in the bill, summarized under "Forward Wisconsin Development Authority," would require the Authority to make a one-time grant of \$500,000 in 2016-17 from the Authority's general operations appropriation to Global Entrepreneurship Collective, Inc., which is the new name of VETransfer, Inc. The conditions and reporting requirements associated with the grant would be the same as those applying to the 2013-14 grant made to VETransfer, Inc.

Joint Finance/Legislature: Delete provision.

15. REIMBURSEMENT OF TRAVEL EXPENSES FOR VETERANS

Governor/Legislature: Authorize DVA to reimburse any veteran who incurred travel expenses relating to an appearance that occurred at the request of the state, provided the veteran submits documentation of travel expenses. Specify that Department may reimburse all documented travel expenses incurred, and that general state provisions that limit the reimbursement for travel expenses to the amounts in the maximum travel schedule established by the Office of State Employment Relations do not apply to this reimbursement. Limit the total amount of travel reimbursement received by a veteran to \$2,000 per year.

As the bill would not provide additional funding for DVA to support increases in eligible reimbursement costs, the agency would support any additional costs resulting from this provision with base funding.

[Act 55 Section: 1439]

16. VETERANS HOME MEMBERSHIP ELIGIBILITY

Governor/Legislature: Modify the state veterans home membership criteria to specify that a parent is eligible for membership only if he or she is a parent of a person who died while serving in the U.S. armed forces. Under current law, a parent of any veteran, or a parent of any person who served on active duty under honorable conditions in the U.S. armed forces for

specified minimum periods are eligible to receive care at the state veterans homes. According to DVA, this change is to make the state veterans home membership criteria consistent with federal law. There are currently no veterans home members who qualify solely on the basis of being a parent of a veteran.

[Act 55 Section: 1458]

17. ASSISTANCE FOR NEEDY VETERANS PROGRAM ELIGIBILITY [LFB Paper 704]

Governor: Eliminate the state residency requirement from the eligibility criteria for the assistance for needy veterans program. The assistance for needy veterans program provides subsistence payments and health care assistance to veterans who meet certain criteria related to income and assets and to unremarried spouses and dependent children of veterans who died while on active duty. Under current law, veterans must be Wisconsin residents at the time of application. For eligible spouses of veterans who died while on active duty, the deceased veteran must have entered service from Wisconsin or met certain other residency requirements.

Joint Finance/Legislature: Delete provision.

18. MILITARY FUNERAL HONORS ELIGIBILITY [LFB Paper 705]

Governor: Modify provisions related to the eligibility for military funeral honors to specify that the following persons would be eligible: (a) military personnel on active duty; (b) former military members who served on active duty and were discharged under conditions other than dishonorable; (c) members of the selective service; (d) former members of the selected reserve and national guard who served at least one term of enlistment or period of initial obligated service and were discharged under conditions other than dishonorable; and (e) former members of the selected reserve or national guard who were discharged due to a service-connected disability. This listing would replace the current eligibility criteria, which is limited to deceased veterans and deceased persons who have served under honorable conditions in any national guard or in a reserve component of the U.S. armed forces.

Joint Finance/Legislature: Modify "e" above to add "or for a disability subsequently adjudicated to have been service connected."

[Act 55 Sections: 1459 thru 1464]

19. COUNTY AND TRIBAL VETERANS SERVICE OFFICE GRANTS

Joint Finance/Legislature: Modify the system used for making county veterans service office grants and tribal veterans service office grants from a sum-certain amount, as specified in statute, to an expense reimbursement basis. Limit the annual reimbursement to each office at the amounts specified for the sum-certain grant under current law. Specify that the costs eligible for reimbursement include only the following: (a) information technology; (b) transportation for

veterans and services to veterans with barriers; (c) special outreach to veterans; (d) training and services provided by the Department and the U.S. Department of Veterans Affairs; and (e) with limitations (described below), salary and fringe benefit expenses. Limit the amount of salary and fringe benefit costs that an office may claim for reimbursement to 50% of the amount of its total reimbursement limit in 2016 and 25% of its total reimbursement limit in 2017, and specify that no reimbursement for salary and fringe benefit costs can be claimed in 2018 and thereafter. Require the Department to provide reimbursement payments for documented expenses twice annually. Require the Department to promulgate administrative rules to establish reimbursement criteria and procedures.

Under current law, DVA provides grants to counties to establish county veterans service offices and to tribes to establish tribal veterans service offices. County grants range from \$13,000 to \$8,500, depending upon the county's population, for counties with a full time veterans service officer and \$500 for counties with a part time officer and tribal grants are up to \$15,000 for tribal veterans service offices.

Change the date for requiring a civil service process to be used for choosing a veterans service officer from after August 9, 1989, to after April 15, 2015. Specify that the county executive, administrator, or administrative coordinator must certify to DVA that the county employs a county veterans service officer that meets civil service process requirements.

[Act 55 Sections: 1465 thru 1465o]

20. TRIBAL COLLEGE TUITION REIMBURSEMENT PROGRAM [LFB Paper 706]

PR	- \$810,000
----	-------------

Joint Finance/Legislature: Delete the tribal college tuition reimbursement program and base funding of \$405,000 annually for the program. The program was created by the 2013-15 biennial budget, although no grants have been made under the program. The Department indicates that there have been no eligible applicants.

[Act 55 Sections: 768t, 1447m, and 4316m]

21. PAYMENTS FOR MUNICIPAL SERVICES PROVIDED TO VETERANS HOMES

PR	\$150,000
----	-----------

Joint Finance/Legislature: Authorize the Department to make grants during the 2015-17 biennium to cities, villages, or towns that provide services to state veterans homes. Provide \$150,000 in 2015-16 in a biennial appropriation for making such payments and authorize the Department to transfer unencumbered amounts from the state veterans homes institutional operations appropriation to the new appropriation. Delete the appropriation and the authority to make grants on July 1, 2017.

[Act 55 Sections: 768k thru 768pb, 1458r, 1458rb, and 9449(1q)]

22. APPROPRIATION FOR TRANSFERS FROM OTHER AGENCIES

Joint Finance/Legislature: Create a PR appropriation that would permit DVA to expend amounts the Department receives from other agencies for the purposes for which the funds are received.

[Act 55 Sections: 771m and 771n]